

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 PM-05 H-01 INR-10 L-03
NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11 HA-05
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FM AMEMBASSY LA PAZ
TO SECSTATE WASHDC 2524
INFO AMEMBASSY LIMA
AMEMBASSY QUITO
AMEMBASSY SANTIAGO
DIA WASHDC
USCINCSO J2 QUARRY HEIGHTS CZ

C O N F I D E N T I A L SECTION 1 OF 2 LA PAZ 7230

E.O. 11652: GDS
TAGS: PINT, PGOV, BL
SUBJECT: THE PEREDA GOVERNMENT: SLOUCHING TOWARD
DEMOCRACY

1. SUMMARY: AFTER APPROXIMATELY A MONTH AND A HALF IN OFFICE, PRESIDENT PEREDA'S GRASP ON THE REINS OF GOVERNMENT REMAINS HESITANT. HIS UNP COALITION HAS NOT BEEN ABLE TO FURNISH SIGNIFICANT POLITICAL SUPPORT, AND THE ARMED FORCES, WHICH CONSTITUTE HIS ONLY REAL POWER BASE, ARE BESET BY INTERNAL CONTRADICTIONS. NEVERTHELESS, DUE MOSTLY TO OPPOSITION DISARRAY, HE HAS FELT SUFFICIENTLY STRONG TO REJECT DEMANDS FOR EARLY ELECTIONS, AND WE UNDERSTAND THAT HE CONTINUES TO FAVOR A DATE IN OCTOBER OR NOVEMBER 1979. AS HE GROPEs TOWARD A DEMOCRATIZATION FORMULA, HOWEVER, PEREDA HAS APPARENTLY TURNED HIS BACK ON BOLIVIA'S DETERIORATING ECONOMY. IF HIS CURRENT BENT PERSISTS, HE WILL CONTINUE ON THE PATH OF LEAST POLITICAL RESISTANCE, AND POSTPONE CORRECTIVE ECONOMIC MEASURES AS LONG AS HE CAN. END SUMMARY.

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2. FORTY-SEVEN DAYS AFTER THE JULY 21 COUP, IT HAS BECOME APPARENT THAT JUAN PEREDA'S UNP COALITION IS UNABLE TO PROVIDE HIS GOVERNMENT WITH EVEN A MODICUM OF POLITICAL LEGITIMACY. UNABLE TO GERNERATE POPULAR SUPPORT, THE PRINCIPAL UNP PARTIES--THE MNR, THE FSB AND THE BARRIENTISTAS--HAVE NOT MADE ANY SERIOUS ATTEMPT TO FORGE A PROGRAM OF GOVERNMENT. INSTEAD, THEY HAVE DEVOTED THEIR EFFORTS CHIEFLY TO OBTAINING

OR MAINTAINING
REMUNERATIVE OR POLITICALLY IMPORTANT POSITIONS IN THE BUREAU-
CRACY. IN THE STRUGGLE FOR LEVERAGE, ILL FEELINGS HAVE
OCCASIONALLY REACHED DRAMATIC PROPORTIONS. FOR EXAMPLE, IT
WAS RUMORED RECENTLY THAT GASTON MOREIRA'S FSB, DIS-
CONTENT WITH ITS SHARE OF THE SPOILS, MIGHT PULL OUT OF THE
GOVERNMENT ALTOGETHER. IN A CONVERSATION WITH THE AMBASSADOR,
MOREIRA CONFIRMED THAT THE
FSB'S WITHDRAWAL WAS INDEED A POSSIBILITY, BUT NOT IN THE
IMMEDIATE FUTURE.

3. PEREDA'S DIFFICULTIES ARE COMPOUNDED BY INTERNAL TENSIONS
IN THE ARMED FORCES, HIS ONLY REAL CONSTITUENCY. ELEMENTS OF
THE PREPONDERANTLY STRONG ARMY PRESENT, AND TO A DEGREE FEEL
HUMILIATED BY, THE AIR FORCE'S PIVOTAL ROLE IN THE COUP. MORE
WORRISOME FOR PEREDA, HOWEVER, IS DISCONTENT AMONG THE SO-CALLED
"GENERATIONAL" OFFICERS IN ALL THREE SERVICES. ALTHOUGH YOUNGER
OFFICERS LIKE ARMY LTC FAUSTINO RICO TORO AND AIR FORCE LTC
GUILLERMO ESCOBAR HOLD CABINET POSITIONS, OTHERS OF FIELD GRADE
RANK REMAIN DISSATISFIED BY WHAT THEY REGARD AS INCOMPETENCE
AND INEFFICIENCY IN THE UPPER RANKS OF BOTH THE ARMED FORCES AND
THE GOVERNMENT. THESE OFFICERS TEND TO FAVOR ELECTIONS SOONER
THAN THE MAXIMUM 24 MONTHS SET BY PEREDA, ALTHOUGH HOW MUCH
SOONER IS NOT CLEAR. THEY ALSO WANT THE TOP ECHELONS OF
GOVERNMENT PURGED OF THE PURELY POLITICAL TYPES (LIKE
MNR VICE PRESIDENTIAL CANDIDATE ALFREDO FRANCO GUACHALLA)
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WHO SURGED IN AFTER THE PEREDA TAKEOVER. ARRAYED AGAINST THESE
GENERATIONALISTS ARE THE PREDOMINANTLY OLDER OFFICERS WHO ARE
NOT ANXIOUS FOR PROMPT ELECTIONS. AT PRESENT, THIS LATTER
GROUP SEEMS TO CARRY MOST WEIGHT, AND CERTAINLY IT IS CLOSER TO
PEREDA'S EAR. AT THE SAME TIME, PEREDA IS ACUTELY AWARE OF THE
GENERATIONALIST'S VIEWS, AND, WITH RESPECT TO THE COMPOSITON
OF THE CABINET, HE MAY WELL SHARE THEM. AT ONE POINT, HE WAS
REPORTEDLY PREPARED TO REPLACE THE POLITICIANS IN HIS CABINET
WITH MILITARY TECHNOCRATS WITHIN A MATTER OF DAYS. SUCH A MOVE
WOULD BOTH HELP TO ASSUAGE THE YOUNGER OFFICERS' THIRST FOR
GREATER RESPONSIBILITY AND DAMPEN OPPOSITION CRITICISM. IT NOW
APPEARS, HOWEVER, THAT PEREDA WILL KEEP THE CURRENT CABINET IN-
TACT UNTIL ABOUT THE END OF THE YEAR, PERHAPS LARGELY AS A
CONCILIATORY GESTURE TO THE UNP.

4. PEREDA HAS REJECTED THE MAJOR OPPOSITION GROUPS' INSISTENCE
ON AN ELECTION DATE ANNOUNCEMENT BEFORE SEPTEMBER 7, AND HE IS NOT
CURRENTLY IN A MOOD TO ACCEDE TO THEIR DEMAND FOR GERNERAL ELECTIONS
BEFORE THE END OF THE FIRST HALF OF 1979. WE UNDERSTAND FROM AN
EXCELLENT SOURCE THAT HE PLANS TO SET THE DATE SOMETIME IN OCTOBER
OR NOVEMBER OF 1979, ALTHOUGH HE HAS APPARENTLY NOT CONSULTED WITH
EITHER HIS CABINET OR THE OPPOSITION ABOUT THIS POSSIBILITY. WE

ALSO HAVE LEARNED THAT HE STILL PLANS TO IMPLEMENT A STATUTE GOVERNING POLITICAL PARTY ORGANIZATION, BUT HAS SCRAPPED THE IDEA OF A HIGH-LEVEL ELECTORAL COMMISSION.

5. PEREDA'S LACK OF CONCERN FOR THE OPPOSITION'S DEMANDS DOES NOT APPEAR TO STEM FROM HEIGHTENED SELF-CONFIDENCE, NOR DOES IT NECESSARILY REFLECT ANY CLEAR SENSE OF POLITICAL DIRECTION. RATHER, IT SEEMS TO BE ROOTED IN AN ASSESSMENT THAT THE OPPOSITION GROUPS ARE NOT CURRENTLY IN A POSITION TO PRESS THEIR DEMANDS BY SPONSORING ROAD BOOCS, WORK STOPPAGES OR OTHER DISRUPTIVE FORMS OF POLITICAL PROTEST.

6. THIS ANALYSIS IS PROBABLY CORRECT, AS THE MAJOR OPPOSITION PARTIES AND FRONTS ARE EXPERIENCING THEIR OWN ORGANIZATIONAL

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DIFFICULTIES. THE MOST INTRIGUING DISSYNCHRONIZATIONS HAVE OCCURRED WITHIN HERNAN SILES' UDP. THE UDP SIGNED THE AUGUST 23 OPPOSITION DECLARATION, WHICH INTER ALIA RELAXED THEIR LEADER'S DEMAND FOR ELECTIONS BEFORE THE END OF THE YEAR, WITHOUT CONSULTING SILES, WHO WAS IN CARACAS. FOR A DAY OR TWO AFTERWARD, SILES CONTINUED TO TALK PUBLICLY ABOUT THE NEED FOR ELECTIONS BEFORE 1979. THEN, ON AUGUST 31, WHILE STILL IN CARACAS, SILES CAUGHT AT LEAST SEVERAL KEY MEMBERS OF THE UDP OFF GUARD BY ANNOUNCING THAT (1) HE WAS DISPOSED TO DIALOGUE WITH PEREDA, AND (2) HIS HALF-BROTHER, LUIS ADOLFO SILES SALINAS, WOULD RUN IN HIS PLACE AS THE UDP'S PRESIDENTIAL CANDIDATE IN THE NEXT ELECTIONS. THE FULL IMPLICATIONS OF

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NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11 AID-05
HA-05 SIL-01 LAB-04 IO-13 /096 W
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R 061805Z SEP 78
FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 2525
INFO AMEMBASSY LIMA
AMEMBASSY QUITO
AMEMBASSY SANTIAGO
DIA WASHDC
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SILES' SECOND POINT ARE NOT CLEAR. IN THE ABSENCE OF AN "OFFICIAL" CANDIDATE, SILES SALINAS COULD WELL BE A STRONGER VOTE-GETTER THAN SILES ZUAZO, AS HE WOULD CERTAINLY PULL MORE CENTRIST SUPPORT. BUT HE LACKS SILES ZUAZO'S ACTIVIST STYLE AND "MACHO" IMAGE, AND IT IS NOT CERTAIN THAT HE WOULD ENJOY--OR NECESSARILY WANT--THE SUPPORT OF THE MORE LEFTIST MEMBERS OF THE UDP. IT MAY BE SOME TIME BEFORE IT BECOMES CLEAR PRECISELY WHO WILL BE THE UDP CANDIDATE AND WHETHER ALL ESSENTIAL ELEMENTS OF THE COALITION ARE REALLY IN STEP.

7. MENWHILE, THE PAZ ESTENSSORO MNR HAS BEEN UNDERGOING A LEADERSHIP WRANGLE. WHILE PAZ REMAINS THE ACKNOWLEDGED CHIEF, OTHER TOP PARTY POSITIONS ARE IN DISPUTE. MANY PARTY MEMBERS BELIEVE THAT INTRANSIGENT SUBCHIEFS LEONIDAS SANCHEZ AND EDWIN RODRIGUEZ SHOULD BE DISPLACED TO ALLOW ROOM FOR MORE HEAVY-WEIGHT (BUT TRADITIONALLY LESS ORTHODOX) TYPES SUCH AS ROBERTO JORDAN PANDO AND GUILLERMO BEDREGAL. LAST MONTH, AFTER AN INTENSE SESSION OF CRITICISM AND ANALYSIS, PAZ DECREED THAT SANCHEZ AND RODRIGUEZ SHOULD CONTINUE IN OFFICE, BUT THAT JORDAN, BEDREGAL AND OTHERS WOULD FORM A CONFIDENTIAL

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NEW ADVISORY COMMISSION-- A "LAWYERS" SOLUTION THAT LEFT MANY DISSATISFIED. AT PRESENT, PAZ IS THE ONLY FORCE HOLDING THE "HISTORIC" MNR TOGETHER, AND THE PARTY'S FOOTING SEEMS NO MORE SURE NOW THAN IT DID IN THE MONTHS BEFORE THE JULY ELECTIONS. THE SMALLER PDC SEEMS IN BETTER ORGANIZATIONAL SHAPE, AND HAS TENTATIVELY ANNOUNCED THAT IT WILL AGAIN BACK THE PRESIDENTIAL CANDIDACY OF RENE BERNAL.

8. ANOTHER IMPORTANT POLITICAL FACTOR IS FORMER PRESIDENT HUGO BANZER, WHOSE PLANS ARE NOT YET KNOWN. IN THE DAYS IMMEDIATELY FOLLOWING THE PEREDA COUP, IT WAS RUMORED THAT BANZER WOULD MAKE A STRONG BID FOR THE PRESIDENCY IN THE NEXT ELECTORAL ROUND. MORE RECENTLY, BEFORE DEPARTING FOR HOUSTON FOR A PHYSICAL CHECK-UP, BANZER HAD A WIDELY-PUBLICIZED MEETING WITH PEREDA IN WHICH, ACCORDING TO NEWS REPORTS, THE TWO BECAME "RECONCILED." PICKING UP ON THESE REPORTS, GUTIERREZ-WING FSB SPOKESMAN CARLOS VALVERDE ALLEGED THAT PEREDA HAS GONE SO FAR AS TO "OFFER" TO BACK BANZER FOR THE PRESIDEN-

CY IN "1980." OTHER, PERHAPS MORE CREDIBLE SOURCES, HOWEVER, MAINTAIN THAT AFTER ASSESSING HIS CHANCES BANZER HAS DECIDED NOT TO BE A CANDIDATE IN THE NEXT ELECTIONS. WHATEVER HIS EVENTUAL POSITION, IT IS CERTAIN THAT HE WILL CONTINUE TO WIELD CONSIDERABLE POLITICAL INFLUENCE IN THE MONTHS AHEAD.

9. AS PEREDA FEELS HIS WAY TOWARD DEMOCRATIZATION, HE APPEARS TO BE CONSCIOUSLY IGNORING THE PROBLEM OF BOLIVIA'S DOWNWARD SPIRALING ECONOMY. RECENTLY, FINANCE MINISTER JORGE TAMAYO ANNOUNCED TO THE PRESS THAT THE GOVERNMENT HAD NO INTENTION OF DRAWING UP A CORRECTIVE ECONOMIC PACKAGE. THIS IS APPARENTLY TRUE. ACCORDING TO MORE THAN ONE SOURCE, PEREDA IS NOT CURRENTLY WILLING TO IMPLEMENT POLITICALLY UNPOPULAR ECONOMIC MEASURES. IN-CONFIDENTIAL

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STEAD, LIKE BANZER BEFORE HIM, HE HOPES TO MUDDLE THROUGH, BUYING TIME AS HE CAN, AND LEAVE THE YEOMAN'S WORK FOR THE NEXT GOVERNMENT.

10. CONSLUSIONS. GIVEN THE INTRINSIC WEAKNESS OF HIS GOVERNMENT, PEREDA IS LIKELY TO CONTINUE ON THE PATH OF LEAST POLITICAL RESISTANCE. INN THE ABSENCE OF STRONG POLITICAL OPPOSITION, HE MAY BE ABLE TO FOLLOW THROUGH WITH HIS PLAN TO CALL ELECTIONS IN OCTOBER OR NOVEMBER OF 1979. ALTHOUGH HE HAS NO APPARENT DESIRE TO PROTRACT HIS TIME IN OFFICE, HE HAS DEMONSTRATED AN INTEREST IN PROTECTING HIS POLITICAL FLANKS. AS HE DOES NOT WANT TO TAKE ANY UNNECESSARY LUMPS, HE WILL PROBABLY NOT IMPLEMENT CORRECTIVE ECONOMIC MEASURES UNLESS THEY BECOME INEVITABLE. AT THIS POINT, THERE IS NO INDICATION THAT PEREDA IS GREATLY CONCERNED ABOUT THE ELEMENTS OF A DEMOCRATIZATION PLAN OR STRENGTHENING THE ECONOMY FOR THEIR OWN SAKES. WHAT HE APPEARS TO WANT MOST IS TO GET THROUGH HIS PRESIDENTIAL TENURE WITH AS FEW NICKS AS POSSIBLE--A SURVIVOR, RATHER THAN AN UNSUNG HERO. BOEKER

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Message Attributes

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